

DECISION MEMORANDUM

**TO: COMMISSIONER KEMPTON
COMMISSIONER SMITH
COMMISSIONER REDFORD
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL**

**FROM: WELDON STUTZMAN
DEPUTY ATTORNEY GENERAL**

DATE: FEBRUARY 4, 2011

**SUBJECT: CASE NO. UWI-W-11-01
APPLICATION OF UNITED WATER AND THE CITY OF EAGLE FOR
APPROVAL OF AN INTERCONNECTION AGREEMENT WITH
EAGLE, IDAHO**

On January 28, 2011, United Water Idaho Inc. and the City of Eagle, Idaho filed an Application requesting Commission approval of an agreement between the parties that controls interconnection of facilities and the potential exchange of water. The two water systems currently are connected to each other by a pressure regulating valve and vault owned by the City that is configured to allow water to flow from United Water to the City. The existing interconnection is governed by an agreement between the parties executed in 1997. The new agreement provides for facilities modifications to enable water to flow both ways between the two systems. The agreement provides that each party will own the facilities on its side of the interconnection. The parties estimate that United Water's share of the cost to upgrade the system will be \$14,496 and that the City of Eagle's share will be \$5,499.

The interconnection of facilities is controlled by a pressure regulating valve, thus a pressure drop will initiate the flow of water from one system to the other. The agreement provides that the party receiving water will notify the supplying party within four hours as to the nature and expected duration of the emergency, and the anticipated volumes of water required. When United Water sells supply to the City under the agreement, United Water will receive payment at the full tariff volumetric rate and not at a discount. Likewise, when the City sells

supply to United Water, it will receive payment at Eagle's then existing published volumetric rate.

The parties requested that the Application be processed by Modified Procedure. Staff recommends that the Application of United Water and City of Eagle for approval of their Interconnection Agreement be processed by Modified Procedure with a 21-day comment period.

COMMISSION DECISION

Should the Application of United Water and City of Eagle for approval of their Interconnection Agreement be processed by Modified Procedure with a 21-day comment period?

A handwritten signature in black ink, appearing to read 'W Stutzman', written over a horizontal line.

Weldon Stutzman
Deputy Attorney General

bls/M:UWI-W-11-01_ws